

Appendix J. Fishery Impact Statement (FIS)

The Magnuson-Stevens Fishery Conservation and Management Act requires a FIS be prepared for all amendments to Fishery Management Plans (FMPs). The FIS contains an assessment of the likely biological and socioeconomic effects of the conservation and management measures on: 1) fishery participants and their communities; 2) participants in the fisheries conducted in adjacent areas under the authority of another Fishery Management Council; and 3) the safety of human life at sea.

Actions Contained in Amendment 18B to the FMP for the Snapper Grouper Fishery of the South Atlantic Region

The South Atlantic Fishery Management Council (South Atlantic Council) is concerned that regulations implementing several recent snapper grouper amendments could increase the incentive to fish for golden tilefish. Therefore, the South Atlantic Council is proposing management measures that would limit participation in the golden tilefish commercial sector of the snapper grouper fishery.

Actions in Amendment 18B to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region (Amendment 18B) consider alternatives that would:

1. Limit Participation in the Golden Tilefish Portion of the Snapper Grouper Fishery
2. Establish Initial Eligibility Requirements for a Golden Tilefish Longline Endorsement
3. Establish an Appeals Process
4. Allocate Commercial Golden Tilefish Quota Among Gear Groups
5. Allow for Transferability of Golden Tilefish Endorsements
6. Adjust Golden Tilefish Fishing Year
7. Modify the Trip Limit for Fishermen Who Receive a Golden Tilefish Longline Endorsement
8. Establish Trip Limits for Fishermen Who Do Not Receive a Golden Tilefish Longline Endorsement

Assessment of Biological Effects

The action to establish an endorsement program for the longline sector is expected to have positive biological effects. Longline gear is more efficient than hook-and-line gear in capturing golden tilefish. Yet, allowing more efficient gear to capture golden tilefish would not be expected to negatively impact the stock since annual catch limits (ACLs) and accountability measures (AMs) are in place to prevent overfishing. Furthermore, a longline endorsement could slow the rate the golden tilefish ACL is met and help prevent overages, thus having biological benefits. Currently anyone with a commercial snapper grouper permit can use longline gear. Thus, capping the number of individuals who can use longline gear could have positive biological impacts to the environment. The fewer the number of longline endorsements issued, the greater the biological benefit because less gear would likely be deployed. If this were the case, then biological benefits could be expected for golden tilefish and the chance of interactions with protected species could be reduced. The South Atlantic Council is proposing issuing 23 longline endorsements.

This is the largest number of endorsements under the considered alternatives; however, it is less than the total number of vessels (n = 43) landing golden tilefish with longline gear during 2005-2011. It is also possible that effort with longline gear would remain the same regardless of the number of vessels fishing.

Establishing an appeals process whereby fishermen could dispute their eligibility to receive a longline endorsement and specifying transferability criteria for the endorsements is an administrative action that would not have an impact on the biological environment.

The South Atlantic Council considered several alternatives to apportion the total commercial ACL to the longline and hook-and-line sectors. It is likely that the commercial ACL would be met regardless of how it is divided between the gear sectors. Allocating a greater percentage of the commercial golden tilefish ACL to the hook-and-line sector could be expected to have a greater biological benefit since the commercial ACL would be met more slowly than with longline gear. The preferred alternative would allocate the largest percentage of the commercial ACL to the hook-and-line sector, thereby diminishing any negative biological impacts.

While there is little biological benefit to changing the fishing year, a shift in the fishing year would allow hook-and-line fishermen to target golden tilefish in the fall. However, a change in the fishing year would also result in multiple species being open at the same time, thus increasing negative impacts to the biological environment. Leaving the fishing year unchanged and addressing seasonal availability of golden tilefish through gear sector allocations (**Action 4**) would diminish negative biological impacts. However, **Preferred Alternative 1 (No Action)** would continue to open the fishing season before the start of the spawning season thus reducing positive biological effects.

As a derby fishery has developed for golden tilefish in recent years and the ACL has been met very rapidly, the 300-pound gutted weight (gw) trip limit has not had the intended effect of providing hook-and-line fishermen access to golden tilefish in the fall. The advantage of such a step-down is that it can slow the rate at which the commercial ACL is filled and decrease the chance of an ACL overage. However, during 2010 and 2012, golden tilefish were being harvested so quickly that the landings could not be tracked accurately. As a result, an overage of the ACL occurred and the 300-pound gw trip limit was not triggered. Furthermore, access to the resource by hook-and-line fishermen is being addressed through separate ACLs for each gear sector (**Action 4**), hence making the 300-pound gw trip limit step-down unnecessary.

To moderate the rate at which the hook-and line commercial ACL is met, trip limit alternatives were considered. Alternatives with more restrictive trip limits would be expected to have greater biological effects for golden tilefish as they would likely constrain the overall harvest. However, golden tilefish are not overfished and are not experiencing overfishing. Furthermore, ACL and AMs are in place to prevent overfishing from occurring. Thus, there is not a biological need for a more restrictive trip limit than the proposed 500 pound gw trip limit.

Assessment of Economic Effects

The longline sector has dominated commercial landings of golden tilefish since the early 1980s. The proposed endorsement system for this sector would help to address overcapacity and effort expansion in the commercial sector. The endorsement coupled with a quota increase, as proposed in Regulatory Amendment 12 to the FMP for the Snapper Grouper Fishery of the South Atlantic Region (Regulatory Amendment 12) can better address overcapacity and forestall a derby than either measure alone. However, the effects of an endorsement system, even if combined with a quota increase, would likely be transitory. Unlike a management system, such as a catch share program, endorsements would not eliminate the incentive to “race to fish”. This could result in fishermen adapting to the new quota and the endorsement system and increasing their effort over time. Effort increases and capital stuffing could even intensify if fishermen perceive the endorsement system as a prelude to a catch share program.

The proposed eligibility requirement for obtaining a longline endorsement would qualify 23 permit holders and disqualify 15 permit holders. Losses to non-qualifying permit holders would not necessarily turn out as losses to the longline sector or to the commercial sector as a whole, however, since the remaining longline participants have enough capacity to harvest whatever amount the non-qualifying vessels have to give up. Because of recent closures in the commercial golden tilefish segment of the snapper grouper fishery, it is likely that qualifying vessels could recoup losses to non-qualifying vessels in the near future. This could likely happen even if the quota is raised (as proposed in Regulatory Amendment 12) because the longline sector appears to have the necessary capacity to increase its harvest of golden tilefish.

The number of appeals received largely determines the economic impacts of an appeals program. Fishermen excluded from the endorsement program who decide to appeal may incur costs associated with trying to prove their case. However, access to NMFS’ logbook landings or state trip tickets should be at little or no cost to a fisherman. Some complications may arise in the case of transferred permits for the new permit where the new owner may not have access to NMFS’ logbook landings for the previous owner. Access to state trip tickets in this situation would depend on the respective state’s rule on access to trip ticket information.

Decreasing the commercial allocation for the longline sector and increasing it for the hook-and-line sector would, in theory, have negative effects on the longline sector and positive effects on the hook-and-line sector. However, because the commercial ACL will increase (if Regulatory Amendment 12 is approved by the Secretary) well above the baseline landings of both sectors, each allocation alternative, including the proposed alternative, would yield positive revenue effects to both sectors.

Allowing transferability of longline endorsements would open opportunities for increasing the value of the endorsement asset and for the more efficient operators to engage in the fishery. Such opportunities, however, would still be limited by the requirement that transfers of endorsements be made between individuals/entities

possessing unlimited snapper grouper permits. These permits are now under a limited entry program.

Retaining the current January-December fishing year would make golden tilefish available to dealers during January-May, when other snapper grouper species are closed. This could increase the dockside price paid to fishermen for golden tilefish. Even if dockside prices do not increase in the early part of the year, keeping the start date at January 1 could help dealers maintain supply and therefore keep customers.

In recent years, harvest of golden tilefish has been so rapid that it was not possible to track commercial harvests with the existing NMFS quota monitoring program, and thus the 300-pound gw step-down trip limit was not triggered before the fishing season was closed. An increase in the ACL (as proposed in Regulatory Amendment 12) alone would likely not alleviate the situation especially in the medium term because there is enough capacity to harvest the new ACL. Removing of the 300-pound gw trip limit when 75% of the ACL is taken would likely make the situation worse. Moreover, large longline harvests, as would occur under the preferred alternative, would tend to glut the market even after 75% of the commercial ACL is taken. This would reduce the prices that hook-and-line fishermen and longline fishermen would receive. Understandably, this market glut would also occur before 75% of the commercial ACL is taken. It is noted, however, that removing the 300-pound gw trip limit would allow the longline sector to efficiently use its capacity and maximize its revenues and possibly profit from its allocation.

Based on 2005-2011 average landings and revenues of hook-and-line vessels and longline vessels excluded from the endorsement system, the proposed trip limit would reduce vessel revenues by about \$69,000. A trip limit may be considered to have relatively short-term effects. A vessel that incurs revenue reductions due to a trip limit may recoup its losses by taking more trips as long as those trips are still profitable. A relatively high trip limit, such as is being proposed, would likely remain profitable for hook-and-line vessels. This trip limit would affect only 14 trips out of the 2005-2011 average of 249 trips. It is then likely that the proposed trip limit would not prevent the commercial hook-and-line ACL from being fully harvested.

Assessment of Social Effects

Although the proposed establishment of a longline endorsement would not limit total golden tilefish harvest, restricting participation may affect the total amount of golden tilefish harvested as well as change product flow through the various communities and dealers. If the more significant harvesters receive endorsements, total volume and the communities where most golden tilefish are landed should not be affected. Therefore, the proposed endorsement system should preserve, and possibly increase, the social benefits to the more active producers and dealers, and associated communities. However, some communities and dealers as well as the fishermen who do not receive an endorsement, could experience reduced social and economic benefits unless fishermen land in multiple ports and sell to multiple dealers in the same city.

Typically, the fewer the eligible individuals, the more likely negative social impacts could result due to a diminished golden tilefish harvest. Under this assumption, the proposed eligibility criteria to qualify for a longline endorsement would have the least negative social impact by allocating endorsements to the most fishermen. However, under any allocation scenario, fishermen who receive an endorsement would be expected to benefit due to less competition in fishing and in the markets.

The likelihood that one or more qualifying vessels would not receive an endorsement would increase in the absence of an appeals process, resulting in less social benefits than would result if an appeals process is established.

The proposed 75/25 allocation of the commercial ACL between the longline and hook-and-line sectors, respectively, would not be consistent with the recent performance of this component of the snapper grouper fishery. The majority of permits that would receive longline endorsements under the proposed alternative are from Florida. Therefore, those alternatives that allocate a larger portion of the ACL to the hook-and-line sector would likely have positive social benefits for individuals with federal South Atlantic Unlimited Snapper Grouper Permits in the other South Atlantic states. The proposed allocation would provide greater assurance than the other alternatives considered that fishermen from all states would be able to fish for golden tilefish during periods of the year when the weather and economic conditions are favorable.

Generally, social and economic benefits are expected to be greater when individuals are given more freedom to manage their assets (i.e., to sell the endorsement without time constraints). This is particularly true in situations where a decision to stop fishing is not discretionary, as may be the case should an adverse health situation or personal financial crisis arise. Therefore, to the extent that a reduced ability to transfer endorsements results in reduced benefits, the longer the restriction on transferring endorsements applies, the greater the expected reduction in social benefits. Hence, the proposed transferability option is expected to result in positive social impacts.

Because no changes to the fishing year are being proposed, no changes in the manner in which the golden tilefish component of the snapper grouper fishery is prosecuted would be expected and, as a result, no changes in the current social benefits of the snapper grouper fishery would be expected to occur.

Elimination of the step-down trip limit would be expected to accelerate quota closure of the fishery by not reducing the pace of harvest. The magnitude of impact of accelerated quota closure on hook-and-line fishermen would depend on how harvests are affected by the proposed endorsement requirement. Nevertheless, in tandem with the other proposed golden tilefish management changes, it is expected that the elimination of the 300-pound gw step-down trip limit would result in positive social impacts.

The proposed 500-pound gw trip limit for fishermen who do not receive a longline endorsement would be the most beneficial to vessels with South Atlantic Unlimited Snapper Grouper Permits. Although lower trip limits may contribute to a longer fishing

season, the more restrictive limits may cause some vessels to target other species to increase the economic efficiency of fishing trips.

Assessment of Effects on Safety at Sea

The proposed changes to management of the golden tilefish component of the snapper grouper fishery are not expected to change the level of safety at sea. Unlike a catch-share program that provides harvesting privileges to qualified participants, an endorsement system would not eliminate the underlying incentive to “race to fish”, thereby diminishing the level of safety at sea.